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REPORT OF THE EXPERT-LEVEL PREPARATORY MEETING FOR THE FRENCH-SPEAKING AFRICAN LDCs

Held in Niamey, Niger, from 18 to 20 April

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I. INTRODUCTION

1. In its resolution 52/187 of 18 December 1997, the General Assembly decided to convene the Third United Nations Conference on the Least Developed Countries (LDCs) in 2001, with the following mandate:

(i) To assess the results of the Programme of Action during the 1990s at the country level;

(ii) To review the implementation of international support measures, particularly in the areas of official development assistance (ODA), debt, investment and trade;

(iii) To consider the formulation and adoption of appropriate national and international policies and measures for sustainable development of the least developed countries and their progressive integration into the world economy.

2. The General Assembly accepted the offer of the European Union to host the Conference in Brussels from 14 to 20 May 2001. It also decided to establish an intergovernmental preparatory committee and convene three regional expert-level preparatory meetings, one for English-speaking African LDCs, one for Asian and Pacific LDCs, and another for French-speaking LDCs. The first meeting of the intergovernmental preparatory committee will take place in New York in July 2000. The meeting of French-speaking LDCs was held at Niamey (Niger) from 18 to 20 April 2000. Its main objective was to assess the implementation of the programme of action for the 1990s in respect of French-speaking LDCs, facilitate the preparatory process at national level and hold discussions with a view to setting the agenda of the Conference. The expert-level meeting for French-speaking LDCs was provided with studies carried out by the secretariat of the United Nations Conference on Trade and Development (UNCTAD) on the following topics:

(i) Development finance in LDCs;

(ii) Commercial issues, access to markets and supply capability in LDCs;

(iii) Social services in LDCs;

(iv) Governance, stability and integrated national development in LDCs.

In addition, the experts had sight of the guidelines for the preparation of national programmes of action for development.

II. ORGANIZATION OF THE MEETING

3. The agenda of the meeting is reproduced in annex I. The meeting was attended by 38 experts from 14 LDCs, 6 from United Nations bodies, 1 from the West African Economic and Monetary Union (WAEMU), 2 from the European Union and 2 from specialized agencies. The list of participants is reproduced in annex II.

III. OPENING MEETING

4. The meeting began with a statement by Ms. Anna Kajumulo Tibaijuka, Executive Secretary of the Conference, on the objectives of the workshop, namely:

(i) To provide a forum for national representatives entrusted with drafting and coordinating national programmes of action for presentation to the Third United Nations Conference on the LDCs;

(ii) To enable the Conference organizers to garner the views of experts on the topics which the international community will focus on during the Conference.

5. The resident coordinator of the United Nations system, Mr. Steven Ursino, said he regarded the meeting as another milestone in the Niger's return to the international scene following the re-establishment of democratic government. He recalled the target set by the Secretary-General of halving the number of people living in poverty around the world by the year 2015 on the basis of commitments by the LDCs themselves and the Heads of State or Government of the richest countries.

6. Mr. Francisco Granell, representative of the European Commission, reaffirmed the wish of the European Union to cooperate fully during the meeting and throughout the preparatory work for the Third United Nations Conference on the LDCs, which was due to be held at the headquarters of the European Parliament in Brussels.

7. Mr. Seffou Dine Akandé, representative of the United Nations Economic Commission for Africa (ECA), stressed the importance of human development, poverty reduction, and the need to increase ODA and encourage direct foreign investment in LDCs.

8. The representative of WAEMU, Mr. Alain Faustin Bocco, emphasized the significant contribution of the trade policy of the West African community in opening up subregional economies to the international market.

9. His Excellency Seini Oumarou, Minister of Trade and Industry of the Niger, welcomed the preparatory meeting. He noted with satisfaction the choice of the Niger as the venue, which indicated the re-establishment of the country's international credibility, and declared the meeting open, expressing the hope that its work would be successful.

IV. WORKING MEETINGS

10. Mr. Najim Elhadj Mohamed (Niger) was elected Chairman and Mr. Damien Eklu-Natey (Togo) was elected rapporteur.

11. The first working meeting began with a presentation by the UNCTAD secretariat on an assessment of the Programme of Action for LDCs in the 1990s and a possible strategy for the coming decade.

12. The prime objective of the Programme of Action during the 1990s had been to arrest further deterioration in the economic situation of LDCs, to reactivate and accelerate their development and, in the process, to set them on the path of sustained growth and development. An assessment of this Programme revealed a progressive worsening of the principal economic indicators coupled with a sharp decline in the volume of ODA given to LDCs. The two secretariat representatives proposed some elements of a strategy for the coming decade:

- The need to take account of the diversity of LDCs when formulating national programmes of action;

- Close partnership between all stakeholders in the process, in particular, between the private sector and civil society in LDCs and the donor community;

- Provision for a comprehensive framework to coordinate the implementation of the anticipated results of the Conference;

- Implementation of international measures to support efforts by LDCs to strengthen their productive capacity and human development with a view to remedying structural weaknesses, inter alia by strengthening their competitiveness in the context of globalization.

13. The secretariat outlined the merits of the recent changes in the criteria drawn up by the United Nations Committee for Development Policy (income per inhabitant, quality of life, economic vulnerability) and invited the experts to refer to this methodology when considering the national socio-economic situation.

14. The secretariat then presented guidelines for formulating national programmes of action for development. It was noted that in many LDCs, the reference documents that are required to formulate a national programme already exist. However, it will still be necessary to consolidate the information in these documents in the light of the guidelines and the 10-year period covered by the programme. Poverty-reduction strategies that are currently being prepared or implemented in many LDCs, as well as round tables under the auspices of the United Nations Development Programme (UNDP) and consultative groups under the auspices of the World Bank, are good examples of existing documents.

15. The participants noted that the representatives of the European Union and the UNDP resident representatives in LDCs had been invited by their respective Governments and Headquarters to facilitate the elaboration of programmes of action at national level.

16. Lastly, the secretariat requested participants to provide an update on preparatory work in respect of national programmes of action.

Development finance in LDCs

17. A special presentation on this issue, given by a consultant, was followed by a discussion. The reference document shows that, in 1997, domestic savings in LDCs were less than half the average recorded for the whole of sub-Saharan Africa. This indicated a general unwillingness to

save. According to the report, the mobilization of resources in LDCs is hampered by three interrelated constraints: the low level of savings, lack of financial intermediaries, and disinvestment.

18. The report concludes that in the short and medium term, financing from abroad will continue to be the lynchpin of LDC development. A crucial element in the new strategy to help LDCs will be the quest for enhanced synergy between ODA and private funds.

19. The document and presentation were highly appreciated because they contained useful studies of the problems of development finance in African LDCs. They highlighted basic issues concerning the links between development strategies and the funding mechanisms currently being used.

20. The discussions touched on the three principal sources of development finance: mobilization of domestic savings, the flow of ODA, and foreign private capital.

21. It was suggested that, as far as the mobilization of domestic savings is concerned, increased use should be made of the possibilities offered by credit unions and decentralized financial institutions in order to reach areas where the habit of hoarding was still entrenched and where the extension of saving throughout the population would be of benefit. It was also suggested that the example of the Malian diaspora should be used to encourage expatriate workers to remit money to their home country. A regional approach to mobilizing savings, as exemplified by the Southern Africa Development Community (SADC) was also proposed. Public funding of highly labour-intensive activities might also prompt households to save. Broadening the tax base and improved management of public finances were other ways to increase the budget surplus.

22. The identification of solutions (even regional ones) to the problem of massive capital outflows was one way of encouraging investment in LDCs. At regional level, the increased participation of LDCs in capital markets was a potentially significant means of mobilizing investment resources.

23. As far as ODA flows were concerned, it would be highly desirable to relax conditionality, especially with regard to the financing of economic and social infrastructure. It was also suggested that the procedure for disbursing credits should be relaxed. The growth in ODA flows, particularly spending on the improvement of economic infrastructure, had a direct impact on the capacity to mobilize internal resources and the inflow of foreign capital.

24. Coordination and harmonization of contributions from various donors were advocated as important ways to ensure that assistance was utilized effectively.

25. The importance of debt relief or reconversion was reiterated, in terms both of relieving State budgets and of encouraging investment.

26. The importance of establishing a national and international climate favourable to foreign investment was emphasized.

International trade and supply capacity

27. The experts noted that the theme of the session amalgamated two distinct topics which would benefit from being considered separately: issues of international trade, which subsumed a number of external factors, and issues to do with output and supply capacity which were mainly influenced by domestic factors, for example human resources development. However, the discussions had helped to integrate those two areas of activity, and the experts recognized that they were closely related. Particular attention was focused on the following points.

(a) Marginalization of LDCs

28. The presentation prior to the discussion highlighted the importance of foreign trade as the mainspring of LDC development, but it also emphasized the marginalization of LDCs with reference to the expansion of international trade. Although LDCs accounted for 13 per cent of the world's population in 1997, their share of international exports and imports in that year was just 0.4 and 0.6 per cent, respectively.

(b) The problem of dependency on foreign trade

29. The experts thoroughly debated the dependency on foreign trade of the majority of LDCs owing to their heavy concentration in sectors which are frequently exposed to external shocks. In this regard, the experts singled out drought as a destabilizing factor in agricultural production, in addition to the vagaries of international commodity prices, which wreak havoc on the export earnings of LDCs. They noted that of the 20 developing countries which had witnessed the greatest instability in exports of goods and services during the past two decades, 15 were LDCs for which international price fluctuations were a highly destabilizing factor. As well as price instability, there are other destabilizing factors associated with changing patterns of international demand. Specifically, a number of LDCs are encountering an erosion of the sometimes long-established commercial preference which they once enjoyed and which gave them a competitive edge without necessarily strengthening their productive capacity or long-term competitiveness.

30. The participants also had occasion to note the recent methodological change in the United Nations definition of LDCs which involved the substitution of a composite economic vulnerability index for the former composite economic diversification index. Two components of the new index measure economic instability resulting from external shocks. Foreign dependency, which is normally shown by indicators of the openness of the economy, may significantly expose LDCs to external shocks. In 19 of the 48 LDCs, a single export commodity, agricultural or mineral, accounts for 50 per cent of all goods exports. This is a reflection of the significant problems which these countries experience in diversifying and strengthening their productive capacity. These problems provided the occasion for a fruitful exchange of views between the experts, who in the light of their national experience referred to the geographical handicaps affecting their economies. Landlocked countries are a case in point.

31. The problem of inadequate economic diversification in LDCs can to some extent be explained by a lack of qualified personnel. This weakness is an obstacle to progress in the sphere of globalization, which vastly increases export opportunities resulting from the liberalization of international trade.

32. The experts discussed possible responses by the international community to the problems encountered by LDCs in their efforts to enhance their productive capacity and boost their participation in world trade.

(c) Lessening restrictions on the supply capacity of LDCs

33. First and foremost, the experts noted the importance of action to lessen the economic handicaps affecting the economies of LDCs. These handicaps breed multiple transaction costs (customs clearance delays, warehousing, multimodal transport, corruption at border crossings, police harassment, etc.) and hinder competitiveness, diversification and improvement of productive capacities. A number of participants stressed the importance of developing physical infrastructures, and others advocated the merits of electronic commerce as a way of reducing the transaction costs associated with incomplete information. For example, the use of modern information technologies can help small producers or potential exporters to advertise their products abroad at very low cost. The experts recognized the usefulness of disseminating the tools provided under UNCTAD's Trade Points Programme, which appeared to offer special benefits to countries with severe geographical handicaps such as landlocked or insular LDCs.

(d) Improving the economic specialization of LDCs

34. Another important area of activity within the purview of the Conference is the improvement of countries' sectoral specialization, for example through the pursuit of favourable trade and investment policies and appropriate sectoral policies. In order to reduce their structural dependence, a drawback in the context of globalization, LDCs have a keen interest in identifying new areas of economic specialization based on comparative advantages. These may either be long-established or have emerged more recently as a result of changing patterns in international demand. The importance of international service sectors for LDCs and other developing countries alike was acknowledged by the experts, who noted that many LDCs had great potential in the fields of tourism, international transport, cultural industries and financial services. However, many participants cautioned that the scope for development of services was limited when the import content of service sectors was particularly high. In the goods sector, the merits of various subsectors which are potential candidates for sustainable diversification were mentioned, in particular fruit and vegetables and the subsector of small industries catering to local demand in the wake of breakthroughs in regional cooperation. Several experts lamented the difficulties which LDCs often encountered at the intra-regional level in achieving sufficient complementarity between their products and those of their neighbours, since too many African countries tend to produce the same goods.

(e) Increased market access opportunities

35. Noting the importance of issues concerning market access and problems with tariff and non-tariff barriers which LDCs continue to encounter, the experts considered it very desirable

that the "possibility" of free access for LDC exports to the markets of developed and middle-income countries, as referred to in the Bangkok Declaration, should be translated into reality at the Brussels Conference. Mention was made of the problems which LDCs encounter in securing full participation in negotiations and decisions which impact on the multilateral trade system. The experts took the view that it is essential to mobilize the relevant international organizations, especially UNCTAD, in order to strengthen the capacity of LDCs to share in the progress of multilateral trade. This means supporting existing LDC members of the World Trade Organization (WTO) and providing technical support to LDCs seeking to join the organization.

36. The importance of regional trade integration as a factor promoting development through trade was reiterated, notwithstanding inadequate complementarity between products. The discussion led into the important topic of the development of the European Union's trade policy towards the African, Caribbean and Pacific (ACP) countries, a subject of great of interest to all African LDCs. The experts outlined the prospects for a new approach to Euro-African cooperation involving subregional free-trade zones which would inaugurate relations of reciprocal preference with the single European market after a period of transition.

(f) Other aspects of the economic vulnerability of LDCs

37. Finally, the experts noted the usefulness of studying factors that contribute to the economic vulnerability of each LDC (a project already undertaken by UNCTAD). It was acknowledged that economic vulnerability is a complex phenomenon which varies widely from one country to another. It is accelerated by the forces of globalization because changes in worldwide demand are reflected in increased competition, which LDCs frequently experience as an external shock. After noting the failure of international price-stabilization mechanisms for various commodities, the experts were informed about the elaboration of mechanisms to enable developing countries to manage the risks associated with international commodity price fluctuations, as well the efforts of the international community, including the World Bank and UNCTAD, to facilitate LDC access to these mechanisms.

Governance, stability and national integrated development

38. By way of introduction to the discussion on governance, stability and national integrated development, a consultant provided an overview of a reference document which he amplified with his own insights and reflections. The main points of this presentation and the discussion to which it gave rise are summarized below.

39. The reference document placed the topic in its historical and contemporary setting. In the period immediately after independence, African Governments inherited a colonial system. They based their policies on the Keynesian economic theories which were fashionable at the time and which advocated strong political power as a spur to economic development.

40. Regrettably, State planning failed to deliver a viable economic base and good governance. A gulf developed between the pretensions of State planning and the realities of trade with the outside world. This led to the intervention of the Bretton Woods institutions with their neo-liberal ideology in the late 1970s. The question of strengthening democracy was place on the agenda everywhere.

41. Accordingly, it was necessary to rethink the role of the State in the light of socio-economic, cultural and constitutional factors while continuing to strengthen moral and ethical standards in public services. Surveillance and monitoring mechanisms, parliament, the justice system, an independent and plural press, and civil society all have an essential role to play in this regard. They need to operate effectively and without interference. Although pluralist democracy is not in itself a sufficient precondition for economic development, experience has shown that it is a safer bet than authoritarian regimes.

42. In addition to the reference document, the consultant circulated a note containing his own thoughts on the matter which he summarized for the experts. He dwelt on the definition of good governance, its impact on the stability and strength of institutions, and its effect on economic efficiency. He stressed the achievements and requirements of democratic legitimacy to which African Governments are committed. He also emphasized the strategic role of the State which needs to evolve from the welfare model of the past to that of a facilitator, encouraging responsibility, merit, commitment to public services and cooperation between all economic operators.

43. Internationally, he drew the attention of the participants to the benefits of a regional approach to good governance which should be deepened and amplified, and welcomed the abandonment of the punitive approach currently used by the international community in favour of partnership and political dialogue.

44. In the course of the discussion the experts acknowledged that the system of State planning in vogue in the 1960s had at least established an economic foundation which had previously not existed, although it had subsequently proved impossible to manage this base soundly.

45. The delegates listed various factors which hampered democratic development, for example tribalism and regionalism, low levels of education, poverty, and tension between tradition and modernity in many areas of life. They acknowledged the need to take account of the socio-cultural achievements of African tradition in establishing a more appropriate and effective model of democracy. Without departing from or distorting international standards, it is possible to take account of distinctive national features, especially through constitutional provisions.

46. The delegates also recognized the need to transform attitudes through civic education, thereby empowering citizens to participate fully in political and - more importantly - economic life. Democracy should be a gradual and irreversible process for the removal of corruption from politics and economic management.

47. Some delegates were of the view that, in conjunction with partnership and dialogue, the international community still needs to exert a degree of pressure. However, the principles of good governance should also apply to international relations. Globalization had ushered in an institutional void in the sense that there was no international framework for monitoring the activities of multinational firms. Sometimes it was only the activities of transboundary non-governmental organizations (NGOs) which served as a reminder of the need for equity and solidarity with the world's poor.

48. The participants welcomed the favourable developments which had taken place in a number of States regarding progress to democracy and the involvement of civil society in the decision-making process as regards economic and social development.

Analysis of the provision of social services in LDCs and proposed policies

49. The theme of an analysis of the provision of social services in French-speaking LDCs was discussed on the basis of a document prepared by a consultant.

50. A number of speakers confirmed that, since the worsening of the social and economic crisis in the 1980s the thrust of the debate of sustainable development has focused on the human dimension. This was evidenced, for example, by the World Summit for Social Development held in Copenhagen in 1995 under the auspices of the United Nations. The Summit drew up a kind of social contract to combat poverty in all its forms. The various options confronting societies incorporate the concept of sustainable human development with priority emphasis on strengthening social integration and the pursuit of social justice and equity. In difficult socio-economic contexts, these choices compel developing countries, and especially LDCs, to boost their capacity to provide social services. This is a challenge which necessitates unambiguous support from the international community.

51. As the consultant states in his document, public provision of social services in African LDCs was relatively impressive in the 1990s, attaining 5.7 per cent of gross domestic product (GDP) on average. Public provision of services, in conjunction with private-sector efforts, has led to a significant mitigation of the substantial social costs occasioned by the structural adjustment programmes to which the majority of French-speaking LDCs are subject.

52. Performance indicators reveal that efforts to provide social services varied according to sector. Overall, shortcomings are the result not only of a lack of clear-cut choices and budget transparency, but also of the way in which the causes of poverty have been assessed and the scale of the problems that need to be addressed. It was noted that although these shortcomings should essentially be rectified by LDCs themselves, the lack of clarity on the part of the international community, the principal financial backer of these efforts in the guise of ODA, should also be addressed in order to ensure the maximum effectiveness of the efforts that are being made.

53. In the field of health care, the participants noted that much remains to be done, notwithstanding the Bamako initiative which aims to secure primary health care for all. This is a difficult objective to achieve given the very real problems of access to drinking water and sanitary infrastructures in LDCs, which are two prerequisites for public health. The difficulty of correlating social systems to the reality in each country was noted. The question of why hospitals are being built along Western lines when the bulk of the population favours traditional medicine was also raised. Lastly, the AIDS pandemic and its impact on social services in French-speaking LDCs require a special effort to find a solution to the problem.

54. Whereas all the participants agreed that, as with health care, significant efforts had been made in the sphere of education (although these efforts fell far short of actual requirements), it was unfortunate that the available financial resources were being used to keep the system ticking

over without meaningfully achieving the targets that had been set. The inefficient nature of expenditure, combined with the unfairness of allocation, makes it hard for French-speaking LDCs to mount an effective attack on poverty. This sector deserves special attention because experience elsewhere in the world indicates that the educational level of a given population genuinely determines its level of human development.

55. Most speakers indicated that the programmes of action elaborated at the Third United Nations Conference on LDCs would amount to a thoroughgoing rethink of national poverty-reduction strategies by clearly identifying the root causes of poverty with a view to supplying appropriate remedies. To this end, the relationship between social development and economic performance needed to be mapped out. At the same time it was important to involve the entire community of stakeholders in this endeavour, particularly civil society which has a notable track record in the field of poverty reduction. There should also be an enhanced role for the international community, which mobilizes resources in a spirit of international solidarity, because efforts to combat poverty need to be understood beyond national boundaries.

56. The meeting closed with a progress report on the preparatory work that was being done in connection with national programmes. According to information from the countries concerned, it seems that focal points, resource persons and National Preparatory Committees are already up and running. However, some countries are reporting start-up difficulties and are requesting the assistance of the secretariat. They were informed that, in the event of difficulties, their first point of contact should be the appropriate regional coordinator. Regional representatives would also be available at Headquarters for subsequent trouble-shooting.

57. The experts unanimously thanked the authorities of the Niger for their warm welcome and their able direction of the work, and the UNCTAD secretariat for efficiently servicing the meeting.

Annex I

Agenda

1. Election of the bureau.

2. Adoption of the agenda.

3. Assessment of the Programme of Action for the LDCs in the 1990s and a strategy for the coming decade.

4. Development finance in LDCs.

5. International trade, market access and supply capacity of LDCs.

6. Governance, stability and national integrated development.

7. Analysis of the provision of social services in African LDCs and proposed policies.

8. Adoption of the report.

Annex II

Participants

1. The following countries were represented at the meeting:

Angola
Benin
Burkina Faso
Burundi
Cape Verde
Central African Republic
Chad
China
Comoros
Democratic Republic of the Congo
Equatorial Guinea
Guinea
Mali
Niger
Togo

2. The European Commission and the West African Economic and Monetary Union (WAEMU) were represented.

3. The Economic Commission for Africa (ECA), the United Nations Development Programme (UNDP), the Office of the High Commissioner for Human Rights (UNHCHR), the United Nations Children's Fund (UNICEF) and the United Nations Population Fund (UNFPA) were represented.

4. The World Meteorological Organization (WMO) and the Food and Agriculture Organization of the United Nations (FAO) were represented.

5. The following individuals also attended the meeting:

Mr. Chako Cherif, consultant (Niger)
Mr. A.T.D. Eklu-Natey, consultant (Togo)
Mr. M.G. Augustin Loada, Professor of Public Law and Political Science (Burkina Faso)
Mr. S. Sidibe, Minister of Finance (Niger)
Mr. Lama Joachim, Professor (Niger)
Mr. B. Jean Bakole, international consultant (Belgium)

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